

ND AN No. 1401(1942-A)

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
BISMARCK, ND 58502**

July 7, 2003

SUBJECT: Community Facility Interest Rates, Median Household Incomes
& Grant Levels

TO: All Rural Development Field Offices

PURPOSE/INTENDED OUTCOME: Advise of Median Household Income levels based on 1990 census and quarterly changes in interest rates.

COMPARISON WITH PREVIOUS AN: This AN replaces ND AN No. 1396 (1942-A) dated April 2, 2003.

IMPLEMENTATION RESPONSIBILITIES: Community Facility loans approved after July 1, 2003 through September 30, 2003, will have interest rates as set out below. Median Household Income figures will be used to establish the income level.

4.500% - Poverty Line Rate: Must meet conditions of Rural Development, formerly Farmers Home Administration, FmHA Instruction 1942.17 (f) (2) (i) and (ii).

4.375% - Intermediate Rate: Rural Development, formerly Farmers Home Administration, FmHA Instruction 1942.17 (f) (3), not to exceed 7%,

4.250% - Market Rate: Rural Development, formerly Farmers Home Administration, FmHA Instruction 1942.17 (f) (4).

For essential Community Facility loans, interest rates will be increased by 2 per centum per annum if the project being financed will involve use of, or construction on, prime or unique farmland.

EXPIRATION DATE:
September 30, 2003

FILING INSTRUCTION:
Following Instruction 1942-A

The 2 per centum interest rate increase will not apply if the applicant/borrower is a public body or Indian Tribe and has demonstrated to Rural Development that there are no suitable options for locating the proposed essential Community Facility Project on land that is not prime or unique farmland.

For each essential Community Facility loan, the Processing Officer, after consultation with the National Conservation Reserve Service, will determine whether the proposed project will involve the use of, or consideration on the prime or unique farmland.

The median household incomes are as follows:

Poverty Rate Income Level: \$18,100 or less.

Median Household Income for Intermediate Rate: \$18,101 or \$21,794.

/s/Clare A. Carlson
CLARE A. CARLSON
State Director